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Chairman: Mr. MacKay ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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Agenda item 136: Financing of the United Nations Mission in Sierra Leone

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Agenda item 123: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

The meeting was called to order at 3.05 p.m.

Agenda item 123: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/57/787; A/58/740, A/58/753, A/58/761, A/58/764, A/58/765 and A/58/767; A/C.5/58/37 and Corr.1; A/59/292, A/59/546, A/59/681, A/59/688, A/59/691, A/59/698 and Add.1, A/59/701, A/59/702, A/59/708, A/59/714 and Add.1, A/59/722, A/59/730, A/59/736 and Add.2, A/59/762, A/59/763 and A/59/784)

1. **Mr. Monningstad** (Norway) said that Norway was strongly committed to peacekeeping. In order to maintain international peace and security, Member States must live up to their collective responsibility to provide the United Nations with the means to maintain and strengthen its capacity to plan and conduct increasingly complex peacekeeping operations. As the world faced new challenges, it was of paramount importance for Member States to pay their assessed contributions in full, on time and without conditions. While considerable progress had been made in the overall conduct and management of peacekeeping operations, the Secretariat should continue to maximize the use of scarce resources and to strengthen the capacity of the Office of Internal Oversight Services (OIOS) to swiftly investigate allegations of sexual exploitation and abuse in peacekeeping missions. A strict zero-tolerance policy must be enforced based on uniform and binding standards, and civilian managers and military commanders alike must be held accountable in order to restore the credibility of United Nations peacekeepers in their dealings with civilians in areas of conflict. The strategy to eliminate future sexual exploitation and abuse had certain cost implications, but implementation of the recommendations contained in draft resolution A/C.4/59/L.20 must not be made dependent on voluntary contributions. Norway also fully supported the establishment of a new Personnel Conduct Unit to help prevent and identify misconduct and to ensure compliance with and enforcement of United Nations standards of conduct.

2. The scale of current demands for peacekeeping operations meant that even greater commitment was required from all the partners in the system, including regional organizations, whose active participation and knowledge of the area and of the nature of the conflict could be a huge advantage in the planning and conduct of operations. Critical gaps remained in the Organization's peacekeeping capacity, including in the areas of strategic lift, tactical air support, and field medical facilities. Norway welcomed the work being done to coordinate the role of the various United Nations entities in support of complex peace operations and encouraged further efforts to clarify roles, avoid overlapping of activities and ensure greater efficiency.

3. The development of a general policy for the financing of disarmament, demobilization and reintegration (DDR) activities required in-depth discussion and guidance from the Secretariat and from humanitarian organizations, funds and programmes. Norway supported the inclusion of a cost basis in the assessed peacekeeping budget for DDR and other humanitarian tasks as part of the peacekeeping mandate. Member States had a responsibility to ensure predictable, stable and timely financing of all aspects of an integrated mission.

4. **Mr. Terzi** (Turkey) said that, owing to the growing size and complexity of peacekeeping missions, the Organization was facing a management challenge and growing pressure to improve efficiency and effectiveness as a result of increasing financial resource requirements. Recent large peacekeeping start-ups and the expansion of existing missions had tested the Organization's capacity to respond to requirements. Peacekeeping and related functions were the most important part of the Organization's management structure and successful design and implementation of ongoing reform efforts in such areas as human resources management, procurement, information and communications technology, and results-based budgeting were expected to increase significantly the efficiency and effectiveness of those functions. In that connection, he welcomed the successful completion of the two-year project to establish strategic deployment stocks at the United Nations Logistics Base at Brindisi, Italy.

5. Procurement was one of the Organization's main expenditure items and support functions and the establishment of accountability mechanisms and solid rules and regulations were therefore critical in that area. Ethical responsibility and quality management measures should also be swiftly implemented, together with common procurement management systems, model lease and contract templates, performance rating and evaluation systems, and vendor registration and review measures. Global, automated and real-time

inventory management should be integral to effective management and control and the existing Galileo inventory management system should be expanded to cover all missions.

6. Because of the ever-increasing complexity of peacekeeping operations, a detailed management study should be conducted with a view to re-engineering their operational structure, processes and flows and pinpointing bottlenecks and inefficiencies. In that regard, he welcomed the decision of the Department of Peacekeeping Operations to formulate a policy on the establishment of a Joint Mission Analysis Cell, which should cover all missions and related processes. Management audits could also be useful in identifying trouble areas.

7. Management reviews for periodic assessment of peacekeeping missions were another important tool, as was results-based budgeting, whose results for the financial period 2003-2004 would allow the Organization to establish a more realistic baseline for the 2005-2006 budget. Baseline data for the indicators from which improvement was to be measured should therefore be documented and a formal data collection system established to ensure the accuracy of the indicators of achievement and actual outputs. A performance appraisal system should also be integrated into results-based budgeting to improve its implementation. Managers and personnel should be careful, however, not to focus more on performance measures at the expense of the Organization's objectives. In addition to clear rules and regulations, operational standards should be developed wherever possible in order to improve operational efficiency.

8. Owing to their operational complexity, geographical dispersion and large financial expenditure, peacekeeping missions had more inherent control risk than other parts of the United Nations. Management should therefore restructure auditing with a view to improving coverage of field peacekeeping activities and developing benchmarks and parameters to facilitate future auditing.

9. The success of peacekeeping activities was closely linked to the solution of the root causes of conflicts and wars, which were primarily poverty and illiteracy. Peacekeeping missions should therefore be planned in an integrated manner with substantial development input from all United Nations agencies and funds. In that connection, accomplishment of the Millennium Development Goals were of critical importance and a moral obligation.

10. **Mr. Iosifov** (Russian Federation), referring to the thirtieth session of the Inter-Agency Procurement Working Group (IAPWG), to be held in Moscow from 23 to 27 May 2005, said that the organizers were ready to invite up to 15 observers from interested Member States to the open part of the session from 25 to 26 May. Given the limited number of places, invitations would go, as a matter of priority, to those delegations that had displayed interest in holding similar sessions in their countries in the future. Observers would bear any expenses incurred in connection with their travel and stay.

Agenda item 125: Financing of the United Nations Mission in Bosnia and Herzegovina (A/59/736/Add.8 and A/59/751)

Agenda item 126: Financing of the United Nations Peacekeeping Force in Cyprus (A/59/620, A/59/656/Add.1 and A/59/736/Add.6)

Agenda item 130: Financing of the United Nations Mission in Ethiopia and Eritrea (A/59/616, A/59/636 and Corr.1 and A/59/736/Add.10)

Agenda item 131: Financing of the United Nations Observer Mission in Georgia (A/59/622, A/59/634 and A/59/736/Add.7)

Agenda item 132: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission (A/59/614 and A/59/736/Add.14)

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo (A/59/623 and Corr.1, A/59/633 and A/59/736/Add.1)

Agenda item 134: Financing of the United Nations Mission in Liberia (A/59/624, A/59/630 and A/59/736/Add.11)

Agenda item 135: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force (A/59/625, A/59/653 and Corr.1 and 2, and A/59/736/Add.4)

(b) United Nations Interim Force in Lebanon (A/59/626, A/59/654 and A/59/736/Add.3)

Agenda item 136: Financing of the United Nations Mission in Sierra Leone (A/59/635 and Corr.1, A/59/736/Add.9, A/59/758 and Corr.1 and A/59/759)

Agenda item 137: Financing of the United Nations Mission for the Referendum in Western Sahara (A/59/619, A/59/629 and A/59/736/Add.5)

Agenda item 123: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Review of the management structure of all peacekeeping operations (A/59/794)

Feasibility of consolidating the accounts of the various peacekeeping operations (A/59/795)

11. **Mr. Sach** (Controller) introduced the reports of the Secretary-General on the financing and budgets of nine ongoing peacekeeping operations and two closed peacekeeping missions as well as two notes by the Secretary-General on the review of the management structure of all peacekeeping operations (A/59/794) and on the feasibility of consolidating the accounts of the various peacekeeping operations (A/59/795). The mandate of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) had expired on 31 December 2002. The final performance report (A/59/751) before the Committee showed that total income from the Mission's inception on 21 December 1995 to 30 June 2004 amounted to $1.2 billion, of which assessed contributions amounted to $1.1 billion. Total expenditures for the same period amounted to $961.9 million, inclusive of savings on or cancellation of prior-period obligations of $24.8 million. Credits returned to Member States amounted to $156.9 million. The prior-period adjustments totalled $723,000. Cash assets as at 30 June 2004 amounted to $26.3 million. The net cash available amounted to $7.2 million and uncollected assessments and other receivables amounted to $37.7 million.

12. Total expenditures for the United Nations Peacekeeping Force in Cyprus (UNFICYP) (A/59/620 and A/59/656/Add.1) for the period from 1 July 2003 to 30 June 2004 had exceeded the appropriation of $43.8 million by some $1.6 million or 3.7 per cent. Under the related proposed budget for the period from 1 July 2005 to 30 June 2006, the Secretary-General requested a total amount of $47.4 million, an increase of $200,000 or some 0.3 per cent, against the appropriation of $47.2 million for the current financial period.

13. With respect to the United Nations Mission in Ethiopia and Eritrea (UNMEE) (A/59/616 and A/59/636 and Corr.1), the appropriation of $188.4 million for the period from 1 July 2003 to 30 June 2004 had resulted in expenditure of $183.6 million and an unencumbered balance of $4.8 million or 2.5 per cent. Under the proposed budget for UNMEE for the period from 1 July 2005 to 30 June 2006, the Secretary-General proposed a total amount of $176.7 million, a decrease of $21.6 million or 10.9 per cent, against the appropriation of $198.3 million for 2004-2005. The lower resource requirements were attributable to the expected reduction in the military from its authorized strength of 3,980 to a budgeted strength of 3,184 by 1 July 2005 and a 10 per cent reduction in the level of civilian personnel.

14. Turning to the United Nations Observer Mission in Georgia (UNOMIG) (A/59/622 and A/59/634), he noted that $30.5 million out of the appropriation of $30.7 million for the period from 1 July 2003 to 30 June 2004 had been utilized, resulting in an unencumbered balance of $200,000 and a budget implementation rate of 99.2 per cent. For the period from 1 July 2005 to 30 June 2006, the Secretary-General proposed a total amount of $35.5 million, an increase of $3.6 million or 11.2 per cent against the appropriation for the current period of $31.9 million. The increases were attributable to additional costs related to air transportation, infrastructure and the proposed establishment of 45 posts (42 security guards, one satellite technician, one information technology assistant and one finance assistant) and the application of a lower vacancy rate of 1 per cent.

15. On the final disposition of the assets of the United Nations Iraq-Kuwait Observation Mission

(UNIKOM) (A/59/614), he noted that the total inventory value of the Mission's assets as at 3 July 2003 amounted to $23.9 million. The value of assets transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi, Italy amounted to $12.6 million, representing 52.9 per cent of the total inventory value. The assets disposed of in the Mission area amounted to $3.7 million. The value of assets written off or stolen amounted to $7.5 million, representing 31.5 per cent of total inventory value.

16. The United Nations Interim Administration Mission in Kosovo (UNMIK) (A/59/623 and Corr.1 and A/59/633) had achieved a 99.99 per cent budget implementation rate, having utilized all but $9,000 of its appropriation of $315.52 million for the period 2003-2004. The Secretary-General proposed a total amount of $240.4 million for 2005-2006, representing a decrease of $54.2 million or 18.2 per cent against the approved appropriation of $294.6 million for 2004-2005. The change was attributable to the progressive reduction in civilian police personnel from 2,195 in July 2005 to 1,325 by June 2006, the repatriation of four special police units during the same financial period and a progressive reduction of international staff from 765 in July 2005 to 675 by April 2006.

17. With respect to the United Nations Mission in Liberia (UNMIL) (A/59/624 and A/59/630), total expenditure for 2003-2004 out of an appropriation of $564.5 million amounted to $548.2 million, resulting in an unencumbered balance of $16.3 million. The Secretary-General proposed a total amount of $722.6 million for the budget period from 1 July 2005 to 30 June 2006, representing a decrease of $99.4 million against the current appropriation of $822.0 million. The lower resource requirements were attributable to the repatriation of three infantry battalions as of 1 March 2006, on the assumption that the October 2005 elections took place as scheduled and were successful. Lower requirements would also stem from the fact that rations and cash compensation payments in relation to the disarmament and demobilization of ex-combatants would no longer be needed, as that phase of the disarmament, demobilization, rehabilitation and reintegration programme would be completed in 2004-2005. There would also be reductions in helicopter requirements, although 11 additional posts for national staff would be required.

18. With regard to the United Nations Disengagement Observer Force (UNDOF) (A/59/625 and A/59/653 and Corr.1 and 2), of the $40.0 million which had been appropriated for the 2003-2004 financial period, total expenditures had amounted to $39.7 million, resulting in an unencumbered balance of $300,000. For 2005-2006, the Secretary-General proposed a total amount of $41.6 million, an increase of $700,000 against the appropriation of $40.9 million for the period.

19. With respect to the United Nations Interim Force in Lebanon (UNIFIL) (A/59/626 and A/59/654), $90 million had been approved for 2003-2004, of which total expenditure had amounted to $89.9 million, resulting in an unencumbered balance of $100,000. For the budget period from 1 July 2005 to 30 June 2006, the Secretary-General proposed a budget of $94.3 million, an increase of $1.3 million against the appropriation of $93.0 million for the current period.

20. With regard to the United Nations Mission in Sierra Leone (UNAMSIL) (A/59/635 and Corr.1, A/59/758 and Corr.1 and A/59/759), total expenditure for 2003-2004 out of an appropriation of $520.0 million amounted to $448.7 million, resulting in an unencumbered balance of $71.3 million. For 2005-2006, the Secretary-General proposed a budget of $107.2 million, a decrease of $184.4 million or 63.3 per cent, against the appropriation of $291.6 million for 2004-2005. The primary factor in the reduction of those resources related to the anticipated closure of the Mission by 31 December 2005. As for the proposed donation of the Mission's assets to the Government of Sierra Leone, as at 30 June 2004, the assets were valued at $71.9 million, 12 per cent of which was proposed for donation to the Government. Withdrawal of the assets would impede the rehabilitation of the country because of the infrastructural and logistical challenges faced by its armed forces and police.

21. Some $41.5 million had been approved for the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/59/619 and A/59/629) for 2003-2004. There was an unencumbered balance of $2.7 million resulting from expenditures of $38.8 million. The Secretary-General proposed a total amount of $46.3 million for the budget period from 1 July 2005 to 30 June 2006, representing an increase of $4.4 million or 10.7 per cent against the appropriation of $41.9 million for 2004-2005. The increase was attributable to increases in the cost of petrol, oil and lubricants, the acquisition of closed circuit television and metal detectors to strengthen

security and safety, and additional air transportation requirements.

22. As far as the review of the management structure of all peacekeeping operations was concerned, the note by the Secretary-General (A/59/794) explained why the Secretariat would be unable to submit the report that had been requested by the Assembly before the second part of its resumed sixtieth session.

23. With regard to the review of the management structure of all peacekeeping operations, the note by the Secretary-General (A/59/795) explained the reasons for the delay in the submission of the report on the feasibility of consolidating the accounts of the various peacekeeping operations. The Secretary-General intended to submit the report for consideration by the Assembly at its sixtieth session.

24. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the comments of the Advisory Committee on the information contained in the related performance reports had been integrated into the Committee's discussion of the proposed budgets for 2005-2006. The final performance report for UNMIBH was contained in documents A/59/751 and A/59/736/Add.8 and the Advisory Committee recommended approval of the Secretary-General's proposals with respect to the Mission. The reductions recommended by the Advisory Committee in documents A/59/620, A/59/656/Add.1 and A/59/736/Add.6 related to posts in UNFICYP. The Advisory Committee welcomed the Force's intention to convert a number of international posts to national posts and to hand over functions from international staff to national staff. It had consistently emphasized the importance of strengthening the capacity and role of national staff in United Nations peacekeeping missions, which could lower overhead costs, without decreasing efficiency. UNFICYP and other missions should pursue efforts in that area.

25. The Advisory Committee recommended acceptance of the Secretary-General's proposals with respect to UNMEE, as reflected in documents A/59/616, A/59/636 and Corr.1 and A/59/736/Add.10. It had been informed that the current vacancy rate for international staff at UNMEE stood at 22 per cent, due to the high turnover of staff as a result of the start-up of new peacekeeping missions and the expansion of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC). Although the Advisory Committee felt that it was good for experienced staff to be mobile and to be available to meet the requirements of new missions, the situation should be monitored in order to avoid disruption in the Mission's activities and ways found to retain required experienced staff. The Advisory Committee had been provided with information on the support provided by UNMEE to other United Nations and non-United Nations entities. In that connection, uniform procedures regarding reimbursement from partners should be established and care taken to monitor the costs. The Advisory Committee welcomed the information that use of the executive jet had been discontinued and that alternative arrangements were working well.

26. The reduction recommended by the Advisory Committee in documents A/59/622, A/59/634 and A/59/736/Add.7 concerning the financing of UNOMIG related mainly to the Committee's recommendations on posts and helicopters. Negotiations on the status-of-mission agreement for UNOMIG should be finalized and the format and presentation of results-based budgeting improved. Not only was the manner in which the management review of the Mission had been conducted particularly troubling, but the staffing requirements and structure of the Mission had now become irrelevant, resulting in a waste of time and resources. The Administration should draw lessons from that experience and hold managers accountable for their inaction or delayed action. All future reviews undertaken by management should be finalized in a timely manner to ensure the relevance of the findings reported. With regard to the establishment and/or reclassification of posts related to security, the Advisory Committee recommended that the security set-up of the Mission should be thoroughly analysed by the newly established Department of Safety and Security and the results of that analysis reflected in the subsequent budget submission for UNOMIG. Pending that, no action should be taken with regard to the proposed changes. The Advisory Committee expected significant improvements to be made in the policy for vehicle and equipment procurement and recommended a $300,000 reduction in the rental and operation of helicopters, having concluded that that item had been significantly overbudgeted.

27. With regard to the financing of UNIKOM, the Advisory Committee recommended that the General

Assembly should take note of the report of the Secretary-General (A/59/614 and A/59/736/Add.14).

28. The reduction recommended by the Advisory Committee regarding the financing of UNMIK was related to the requested provision for travel. Despite an almost 100 per cent budget implementation rate, large amounts of prior-period obligations that had been included in the performance reports as expenditures had been subsequently cancelled. Missions like UNMIK which were downsizing should pay increased attention to proper budget discipline and their evolving role in response to changed circumstances and new challenges should be explained in a transparent manner and linked to staffing and other proposals. With regard to the proper grading of posts at UNMIK, the Advisory Committee reiterated its view that if functions could be consistently performed by staff at grades lower than the budgeted level of particular posts, then those posts should be considered for downward classification. Special post allowances should be restricted to exceptional circumstances when a staff member at a lower grade was temporarily performing functions at a higher grade pending the filling of the post at its appropriate level. The Advisory Committee was of the view that the proposed travel programme should be further rationalized through the elimination of what appeared to be redundant trips by Department of Peacekeeping Operations staff to UNMIK for familiarization, assessment and provision of policy guidance and through a significant reduction in the number and duration of trips by UNMIK personnel, especially outside the Mission area.

29. In its report on the financing of UNMIL (A/59/624, A/59/630 and A/59/736/Add.11), the Advisory Committee called for a reduction in the number of posts requested. With regard to the performance report, it had noted the need to correct a number of entry and coding errors and expected such errors to be corrected prior to submission, particularly in view of the fact that budget cycle dates were fixed and the related work should be planned well in advance. The Advisory Committee had noted with satisfaction that, in general, the presentation of the budget of UNMIL had taken into account observations made in the Committee's earlier report and that quantitative and qualitative performance indicators had been used to measure achieved and planned outputs. The Advisory Committee trusted that UNMIL would continue to refine its results-based budgeting presentation. Regarding his sixth progress report on UNMIL, in which the Secretary-General proposed that the Security Council should authorize an additional 120 civilian police personnel for six months, commencing in August 2005, the Advisory Committee would consider any additional budgetary requirements that might arise in that respect.

30. The Advisory Committee's report included a discussion of the implications of the closure of the Office for the Coordination of Humanitarian Affairs office in Liberia, which was staffed with 32 Professional and 14 administrative personnel. Given the continued need for humanitarian relief coordination, the Advisory Committee hoped that UNMIL would develop a long-term perspective on how functions currently within the Office of the Deputy Special Representative of the Secretary-General for Humanitarian Coordination, Rehabilitation, Recovery and Reconstruction would be transformed and eventually phased out and expected an update on the matter during the 2006-2007 budget presentation.

31. The Advisory Committee recommended acceptance of the Secretary-General's proposal for the financing of UNDOF. Given the long-standing nature of the Mission and its stability and efficiency, the Advisory Committee commended the noticeable improvements in the presentation of the results-based budgeting framework and expected an update on the extensive three-year Force modernization programme, which it also welcomed. Clear indications should be given by the Security Council before additional resources for increases in troop strength were requested and policy on the supply of armoured personnel carriers should also be rationalized.

32. Similarly, the Advisory Committee recommended acceptance of the Secretary-General's proposal for UNIFIL which, like UNDOF, was a long-standing, stable, and well-run mission. The Advisory Committee commended UNIFIL and Headquarters for working together to introduce improved rations inventory and distribution controls and for enhancing regional cooperation in establishing a common rations contractor with UNDOF. It recommended that UNIFIL, in close cooperation with Headquarters, should continue to monitor the cost and quality of rations provided by the current vendor. It also noted the Force's successful efforts to reduce travel expenses by, among other measures, combining Headquarters visits to United Nations missions in the Middle East. The

Advisory Committee was also encouraged by the increased use of such integrated communications facilities as videoconferencing.

33. The Advisory Committee recommended approval of the full amount proposed by the Secretary-General for the financing of UNAMSIL for the period 1 July 2005 to 30 June 2006. As the Secretariat would be submitting corrected figures, the Advisory Committee's report might have to be revised accordingly. The cost overruns indicated in the performance report for UNAMSIL as resulting from the conversion of 120 staff members from the 300 to the 100 series of the Staff Rules needed to be established in a fully transparent manner and presented in the relevant peacekeeping budgets. The Advisory Committee noted extensive travel plans for UNAMSIL, which were hard to justify for a Mission that was nearing liquidation and recommended that the travel programme should be rationalized. Its report on UNAMSIL contained a section on liquidation activities covering assets disposal, environmental clean-up, high staff turnover, oversight during the liquidation phase and pending death and disability cases. It stressed the need for the Department of Peacekeeping Operations to fully support UNAMSIL in maintaining appropriate levels of experienced staff during the important liquidation phase and drew the attention of UNAMSIL to the heightened need for close oversight by internal auditors during that phase. In the opinion of the Advisory Committee, one of the lessons learned from the best practices observed was that the coordinated planning and implementation of activities with all stakeholders would make for a more cost-effective use of resources, increase the chance of successful outcomes and allow planning for realistic exit strategies. The Advisory Committee recommended acceptance of the Secretary-General's proposals contained in document A/59/759 concerning the donation of UNAMSIL assets to the Government of Sierra Leone.

34. The Advisory Committee's recommendations with regard to the financing of MINURSO included a reduction related to budgeted vacancy/delayed deployment rates. For the vacant posts placed on hold pending the outcome of the ongoing management review, the Advisory Committee hoped that the resulting proposals would be based on the actual levels of the positions filled and that a re-justification of the vacant posts would be provided or the posts abolished. The Advisory Committee drew attention to the observations and recommendations of the Board of Auditors concerning air operations and requested MINURSO to closely monitor the use of aircraft and to carry out a management review aimed at ensuring a more efficient utilization of air assets.

35. **Mr. Holovka** (Serbia and Montenegro) said that under Security Council resolution 1244 (1999), the mandate of UNMIK was to maintain civil law and order, protect and promote humans rights, assure the safe and unimpeded return of all refugees and internally displaced persons to their homes, and to secure their freedom of movement. Unfortunately, six years after the establishment of UNMIK, those prerequisites had not been met and he was astonished by the proposal to downsize the Mission in terms of both its composition and budget appropriation. Notwithstanding the Mission's high budget implementation rate, the resources saved should be maintained in the budget on the condition that they were reallocated and redirected at providing services of a substantial nature. That would facilitate greater safety and security for all and consequently contribute to the success of the Mission.

36. The performance report (A/59/623) failed to mention what the Mission had done to facilitate the return of the more than 220,000 internally displaced persons. He was concerned that the report interpreted freedom of movement of minorities to mean the daily escorted transport of 250 minority members to their place of work. Serbia and Montenegro could not agree with such an interpretation of the Mission's mandate under resolution 1244 (1999). Once again, moreover, the paramount issue of decentralization for the creation of a stable environment had been omitted from the planned activities, as detailed in document A/59/633.

37. If carried out, the proposed reductions should by no means affect the financial resources envisaged for security and the protection of minority rights, including freedom of movement and the right of return. If anything, those resources should be increased in order to fulfil basic humanitarian needs. His delegation endorsed the Advisory Committee's recommendation that the Secretary-General's proposal for the budget of UNMIK for the period from 1 July 2005 to 30 June 2006 should explain in a more transparent manner the rationale for downsizing the Mission.

The meeting rose at 4.50 p.m.